AGRICULTURE AND RURAL DEVELOPMENT

Recent policy developments on agriculture and rural development policies in Ukraine

Currently, the top policy-making priority for the Ministry of Agrarian Policy and Food of Ukraine (hereinafter - Minagropolicy) is to complete the procedure of adoption of a single and comprehensive Strategy for agriculture and rural development in Ukraine 2015-2020.

Drafting the strategy was a complex process, engaging about 170 experts from the Minagropolicy, other ministries and central executive authorities, associations, international organizations and donor governments of international technical assistance, scientific institutions.

Public consultations on the draft Strategy were conducted through collecting written requests, 11 round tables, numerous forums and expert meetings, including with the representatives of Ukrainian regions. The draft Strategy was also was supported by the National Reforms Council, under the chairmanship of the President of Ukraine, at its 15th the meeting on 4 December 2015.

With overall objective of increasing agricultural competitiveness and promoting rural development in a sustainable manner in line with EU and international standards, the Strategy is structured in 10 areas of reforms and provides a detailed implementation plan for each of them:

1. Business climate, stable legal framework;
2. Land reform;
3. Institutional reform;
4. Food security;
5. Taxation;
6. Agri-food chain development;
7. Rural development;
8. International markets and trade policy;
9. Research, education and extension services;
10. Environment and management of natural resources.
After this the Strategy was submitted for consideration to the Committee of the Verkhovna Rada of Ukraine on Agrarian Policy and Land Relations on the 27th of January, 2016. According to the Committee's decision on February 18, 2016 №29, it was determined necessary to implement preparation of the draft Law of Ukraine on the principles of state policy on development of agriculture and rural areas in Ukraine until 2020 and submit proposals to a specified draft Law for consideration of People's Deputies of Ukraine – the members of the Committee.

Among others priorities of the agriculture and rural development policy, it's worth noting the support to small and medium farmers and strengthening the positions of producers both at the level of production through the establishment of cooperatives and professional associations of producers as well as at the level of trade unions.

At present, Ukraine has more than 100 agricultural unions, associations and professional associations. The Minagropolicy holds public consultations on the draft regulatory legal acts as well as maintain a dialogue with civil society to ensure inclusiveness of the stakeholders in the process of elaboration and implementation of governmental policy in the agricultural sector. In particular, the representatives of the associations are involved in the working groups of the Minagropolicy and invited to participate in international activities.

**Progress in the implementation of Association Agreement's commitments in the area of agriculture and rural development**

The Minagropolicy implements the commitments, stipulated by the Association Agreement, in line with the established national legal framework in the sphere, i.a. the Ordinance of the Cabinet of Ministers of Ukraine № 847-r «On the implementation of the Association Agreement between Ukraine, of the one part, and the European Union and the European Atomic Energy Community and their Member States, of the other part», dated 17 September 2014, and the Order of Minagropolicy № 15 «On the approval of the Action Plan of approximation of Ukraine’s legislation to the EU law in agro-industrial sector», dated 19 January 2015.

This Action Plan foresees the implementation of 44 EU legal acts until December 2017:

- quality policy – 5 EU acts;
- organic farming – 3 EU acts;
- genetically modified crops – 1 EU act;
- marketing standards for plants, plant seeds, products derived from plants, fruit and vegetables – 27 EU acts;
- marking standards for live animals and animal products – 8.

Currently a comparative analysis of regulatory frameworks of the national legislation and EU legislation is carried out, and regulatory legal acts are being developed on the basis of the EU directives.
Ongoing EU cooperation activities in the area of agriculture and rural development

Rural tourism

The rural tourism is one of the priorities of the Minagropolicy, which is also reflected at the draft Strategy for agriculture and rural development in Ukraine 2015-2020. The Minagropolicy has a special interest in a broader cooperation in this sphere with Germany, Estonia, France, Lithuania and Poland.

On 16 November 2015, a specialized seminar on rural tourism development was organized with the participation of the Ministry officials, public organizations and polish experts.

In collaboration with the social partners and international donors a series of regional trainings for all persons interested to join the organized agrarian market, on the establishment and operation of small and medium enterprises in rural areas also was launched.

Prospects of the Ukrainian diary export on the EU market

Access to the EU market offers great opportunities for the dairy industry development and encourages manufacturers to improve product quality as well as modernize production facilities. Getting European Quality Certificates confirms Ukrainian dairy products compliance with international norms and standards, enabling the entrance to the EU market and improving the export potential of the domestic agricultural sector.

So far, 10 Ukrainian dairy producers have received permission to export their products to the EU market. The European Commission issued a decision on the inclusion, starting from the 10 January 2016, of Ukrainian companies producing milk and processing milk products to the official list of approved exporters in the EU.

Impact of the illegal annexation of Crimea and RF’s aggression in Donetsk and Luhansk regions

Due to the illegal annexation of Crimea, only in public sector Ukraine has been criminally deprived of 25 legal entities on the territory of the Crimea - public enterprises, institutions and organizations under the management of the Minagropolicy, 5 unincorporated branches of the state enterprises of the Minagropolicy registered in Ukraine, 5 subsidiary companies – entities SJSC «Khlib Ukrajyny». The overall value of the above-mentioned property is about 45 mln. EUR, while the state budget of Ukraine loses 7 mln. EUR annually.

On the territory of Donetsk and Luhansk regions, currently in the state of the anti-terrorist operation, there are 10 enterprises, institutions and organizations subordinated to the Minagropolicy with their overall value of about 2.5 mln. EUR.
DANUBE RIVER

Danube Cooperation

*Basin management*

State Water Resources Agency of Ukraine and water management organizations under its control located in the Ukrainian part of the Danube river basin areas, are involved in realization of the EU Danube Strategy (hereinafter - the Strategy) priorities in the field of environmental protection. Water quality renovation and maintenance, environmental risks monitoring are within the competence of the Agency among 11 priorities of the Strategy.

Within the framework of the action plan for the implementation of the Association Agreement between the European Union and Ukraine, the Agency covers issues on: hydrographic zoning of Ukraine by identifying 9 major river basins; preparing changes to Ukrainian legislation on water management by river basin principle, in particular on revision of the central and local executive authorities, local governments functions and powers; forming the institutional river basin management infrastructure methodology for assessing the quality status of water objects.

An important component of Ukraine's cooperation on transboundary waters is partnership within the International Commission for the Protection of the Danube River (hereinafter - ICPDR).

Agency’s specialists are involved in three ICPDR expert groups (the Tisza river hydrographic river basin, flood protection and GIS technologies). This facilitates elaboration of common approaches and vision on development of river basin management plans.

In addition, the Ukrainian Party in cooperation with the Danube river basin countries implements international projects addressing priority issues of the Strategy. Ukraine is interested in further use of international technical assistance tool and EU’s financial support for equal flood security of transboundary areas, including joint implementation of the Tisza river basin flood program and other activities, which meet the requirements of the Strategy’s objectives and principles.

*Fishery on Danube River*

Cooperation of Ukraine with the Danubian countries is very important for the effective protection and rational use of the transborder stocks of aquatic biological resources, mostly anadromous fish of Danube (herring, sturgeon), conducting scientific research on the conservation and reproduction of the populations of water bioresources in the Danube River.

The State Agency of Fisheries of Ukraine undertakes dynamic actions in this direction, particularly, according to the provisions of the
Convention concerning Fishing in the Waters of the Danube, coordinates the terms of spawning ban on the industrial fishing in the Danube River with the Romanian side.

Besides, Ukraine, as a first Danubian country which imposed a complete ban on the industrial fishing of sturgeon species in Azov, Black sea regions and in the inland waters (including Danube), implements measures on the conservation and reproduction of sturgeon fish species. Namely in 2015 two thousand specimen of starred sturgeon were released into the lower reaches of the Danube the first time in the recent years.

Ukraine actively takes part in the execution of regional programs directed at the conservation of biodiversity and development of the Danube region, such as “Consolidation of the nature protected areas’ network for biodiversity protection and sustainable development in the Danube Delta and Lower Prut river region – PAN Nature”, “Ex-situ survey to preserve sturgeon genetic diversity in the Middle and Lower Danube (STURGENE)”, which is a part of a general EU program “Sturgeon 2020” and “Joint Program Ukraine-Romania 2016-2020 “Joint transborder monitoring of the sturgeon species populations in the Danube delta”.

Taking into account the importance of the Danube River for development of Ukrainian fisheries field the State Agency of Fisheries of Ukraine plans to continue to involve Ukrainian specialists of the fisheries field to work on programs that concern ensuring of the sustainability of water bioresources in the Danube River.

**Development of the Ukrainian part of the Danube River as a part of European inland waterway system**

According to the agreements set forth in the Joint Declaration of Transport Ministers of the EU member states and Eastern Partnership countries' future cooperation in the field of transport within the Eastern Partnership ",(09.10.2013, Luxembourg) Ukrainian side is working to include inland waterways of Ukraine (Dnieper, Southern Bug and the Ukrainian section of the Danube river) to the regional network TEN-T (the offer Ukrainian side to include inland waterways of Ukraine been prepared in accordance with the criteria and requirements defined in section 2 (articles 14-16) of Regulation (EU) No 1315/2013 of the European Parliament and of the Council of 11.12.2013).

As part of the 8th meeting of Eastern Partnership Transport Panel (04/03/2015, Brussels) during the review and discussion of the inland waterway of Ukrainian side, Romanian side expressed objections to the inclusion Ukrainian section of the Danube River, namely the mouth Chatal Ismail Fast channel in context of the evaluation of the implementation of the Convention on environmental impact in a Transboundary context (Espoo Convention) draft deepwater fairway "Danube-Black Sea" (DWF "Danube-Black Sea").
General Directorate for Mobility and Transport of the European Commission (DG MOVE) appointed company «Transporto & Territorio» conduct research at the mouth of estuary / Kiliya Arm of the Danube. The aim - assessment of the situation in this part of the Danube, including the environmental impact and economic assessment of infrastructure.

Results of the study were presented at the 9th meeting of the Transport Panel of the Eastern Partnership (11.17.2015). Romanian side reacted very strongly to the report, which was proposed by the study.

However, within the 35th meeting of the Espoo Convention implementing the Convention and the Protocol on Strategic Environmental Assessment (16-17.03.2016, Geneva) held the third round of Ukrainian-Romanian consultations on issues of deep waterway "Danube-Black Sea" in the context of the requirements of the Convention Espoo Convention.

Ukrainian delegation had submitted proposals in the form of «non paper», in which the proposals Ukrainian side on the complex regulation of navigation in the delta of the Danube river. Ukrainian delegation invited the Romanian side to discuss the issue of the procedures provided Espoo Convention, on the project "Creating a deep waterway Danube - Black Sea in the Ukrainian part of the delta" and develop step by step mechanism to close the Case under the Espoo Convention.

The position of the Ukrainian side.

It should be noted that the development potential of Ukrainian Danube marine economy, as a key element of inland waterways in Europe, meets the strategic interests of the European Community.

Thus, it is advisable to proceed from the fact that the activities and projects of the Ukrainian part of the Danube Delta reflected in the proposals for the EU Strategy for the Danube Region, and included in the Master plan for the restoration and maintenance of the fairway, the Danube and its navigable tributaries (the Fairway Rehabilitation and maintenance Master Plan of Danube and its navigable tributaries) and national road maps according to the findings on effective upgrades and maintenance of water transport infrastructure in the district. The Danube and its navigable tributaries, signed in the framework of the Ministerial meeting on 3 December 2014 in Brussels.

Furthermore, deep-water course "Danube - Black Sea" is included in the list of inland waterways of international importance (waterway E 80-09) of the European Agreement on Main International inland waterway value.

In order to achieve progress in the negotiations on the key issues for both countries of navigation on the river Danube, the Ukrainian side proposed to reach an agreement with the Romanian side in relation to:

- Working together with the Romanian side mechanism to ensure freedom of navigation of vessels under a third flag to the Ukrainian, Romanian and common parts of the Danube;

- Receiving official approval of the Romanian side for works (as capital - completion and maintenance) for the project "Reconstruction
project of the deepwater fairway of the Danube - Black Sea. I Stage" on the entire section of the Ukrainian-Romanian border (within the options for passage of vessels with a draft of 5.85 m);

- Implementation of mutually tariff setting procedures under the Convention on the regime of navigation on the Danube and ensure their alignment on an annual basis as part of the Administration of the Lower Danube;

- Revision the policy of Romanian side in relation to the prohibition of loading / unloading of ships under the flag of Ukraine cargo carriage / EU origin.

In addition, to ensure the functioning of navigation on the Danube, the Ukrainian side considers it necessary to unfreeze the process of amending the Belgrade Convention and to begin consultations on harmonization amendments thereto.

Given the above, in order to address the complex issues of cooperation Ukrainian side proposed to the Ukrainian-Romanian create separate ad hoc group on development of navigation on the Danube.

However, the Ukrainian side expects to positive decision on the inclusion of a regional network TEN-T Ukrainian section of the Danube (this question will be considered in the framework of the next meeting of the Transport panel EaP in May 2016).

CROSS-BORDER AND REGIONAL COOPERATION

Regional development policy in Ukraine

Over the last two years Ukraine has created the legal background for successful implementation of the reforms in the regional development and local self-government in Ukraine, which are as follows:

- amendments to the Budget and Tax Codes (decentralization of finances, strengthening of the financial base of the local self-government);
- adoption of the Laws of Ukraine "On the Principles of the State Regional Policy", "On voluntary consolidation of territorial communities" and "On territorial communities cooperation";
- adoption of the State Regional Development Strategy until 2020;
- elaboration and approval of the regional development strategies and the plans for their implementation;
- establishment of the monitoring and results evaluation system for the state regional policy in Ukraine, etc.

During elaboration of the regional and decentralization policy, including local self-governance reforms, Ukraine takes into account existing
standards of the EU and the Council of Europe as well as best practices of the European countries.

The main EU support instrument for the state regional policy implementation in Ukraine is the EU Sector Policy Support Programme - Support to Ukraine's Regional Policy Financial Agreement, signed in November 2014, which provides with an opportunity to attract the financing from the EU in the amount of € 55 million for the state regional policy in Ukraine implementation and improvement of the economic, social and territorial cohesion of the regions.

The Programme helped to introduce a new understanding of the regional development as a policy of development, stimulation of the investment and economic activity, attraction of investments and creation of new jobs as well as establish a new mechanism of cooperation for Ukrainian communities and their partners in Europe, expected to bring more opportunities for local projects, study and usage of the European experience at the local level.

Moreover, in 2016 Ukraine plans to start a 4-year program “U-LEAD with Europe: Ukraine Local Empowerment, Accountability and Development” (with total budget of € 97.0 million). The Program is aimed at supporting reforms in the regional development, local self-government and decentralization.

One of the important instruments of the European integration at the regional level is a cross-border cooperation, which takes place, in particular, by the way of creation and active participation of the territorial communities in border countries in the Euroregional Groupings.

At the end of 2011, Ukraine joined Protocol № 3 to the European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities concerning Euroregional Co-operation Groupings, which was ratified by the parliament of Ukraine in May 2012.

In order to make amendments to the Ukrainian legislation and introduce a new form of cross-border cooperation (Euroregional Co-operation Groupings), the Government has presented a draft Law of Ukraine “On Certain Amendments to the Legislation Concerning Euroregional Co-operation Groupings” to the parliament.


In pursuance of the Law of Ukraine "On Cross-Border Cooperation", the Government works on the preparation of the State program of cross-border cooperation for 2016-2020, which aims to consolidate the efforts to promote cross-border cooperation and contribute to further deepening of
cooperation in the European regions and intensification of the expansion of such cooperation, liquidation of barriers to infrastructure and promotion of cooperative entrepreneurship in small and medium businesses.

FISHERIES AND MARITIME POLICIES

Policy developments on maritime governance in Ukraine

At mid-April 2016 a draft Roadmap for approximation of the legislation of Ukraine to the EU legislation in the sphere of international maritime transport (Appendix XVII-5 "Rules applicable to international maritime transport" of Annex XVII "Regulatory approximation" to Title IV "Trade and trade-related matters" of the Association Agreement) was prepared. The draft document, which is currently being examined by Government Office for the European Integration, will be presented to the EU side for evaluation and comments before formal adoption by the Government of Ukraine.

Moreover, the efforts on accession to the ILO’s Maritime Labour Convention, 2006 (MLC, 2006) are underway.

It should be noted that Ukraine takes relevant steps for preparation for the mandatory IMO audit, scheduled for 2018.

Also relevant work on establishing the Ukrainian vessel traffic system according to the European standards and its further integration into the SafeSeaNet is also conducted.

Measures on the implementation requirements of the Black Sea Memorandum of Understanding on Port State to the national legislation of Ukraine are taken, including by amending the Rules for the Control of Ships to Ensure Safety of Maritime Navigation, approved by Order of the Ministry of Transport of Ukraine № 54, dated 17.07.2003.

The Ministry of Infrastructure of Ukraine introduced changes (Order № 387, dated 25.09.2015) to the Clearance procedures for vessels arriving in seaport, obtaining clearance for vessels leaving the harbor and departing from seaport in order to implement Directives 2010/65/EC on reporting formalities for ships arriving in and/or departing from ports of the Member States and Directive 2002/59/EC establishing a Community vessel traffic monitoring and information system (the reduction the burden on crews of ships entering the seaports of Ukraine by significant reducing the number of copies of shipping documents and certificates that must be provided to the captain of seaport after the arrival of the ship in a sea port).

Work on establishing a system of movement of marine vessels of Ukraine according to the European standard and its further integration into the SafeSeaNet has begun.

The Ships Control Rules to provide maritime safety (Order № 54, dated 17.07.2003) was updated in order to implement the requirements of the Memorandum of understanding on Port State Control in the Black Sea region.
With the aim to deregulate ports activity, the government adopted a number of Resolutions:

1. №491, dated 7 July 2015, «On amendments to some resolutions of the Cabinet of Ministers of Ukraine» (abolition of compulsory control commission foreign-going vessels, providing documents for registration of coming vehicles electronically, vehicles control only during arrival at the first port of Ukraine, and during leaving only at the last port, providing products monitoring at checkpoints for sea connection in the form of preliminary documentary control, simplification the registration of pleasure yachts, conducting the forms of customs control in a specially equipped place on the territory of the port operator, conducting an environmental control of a vehicle only when dirt is detected etc).

2. № 492 , dated 7 July 2015, «On Amendments to the Rules of internal sea waters and territorial sea of Ukraine protection against pollution and contamination» (abolition of control of the Environmental Service isolated ballast; control provided only in case of pollution).

3. № 916, dated 13 October 2015, «On changes to the procedure for issuing of veterinary document» (provided the possibility to exporter of the feed grain not to receive veterinary certificate in loading place in case of its export outside the territory of Ukraine through the crossing points opened on the territory of seaports, issuing international veterinary certificates on the basis of exporters’ appeals in checkpoint).

4. № 953, dated 13 October 2015, «On amendments to some resolutions of the Cabinet of Ministers of Ukraine on conducting the environmental and radiological control» (ecological control of vehicles is to be conducted only if contamination is discovered in the vessel parking lot, abolition of the vehicles’ radiological control).

5. №1065, dated 14 October 2015, «On amendments to paragraph 14 of the goods order transportation at checkpoints across the state border, located in the seaports of Ukraine, during container shipping in direct combined connection, that cancel these norms» (abolition of a mandatory rule to deliver the container to the place of customs by the technological transport of a port operator).

Also, the draft Law of Ukraine On Amendments to the Law of Ukraine "On sea ports of Ukraine" on the operation of the port community information system (registered under number 3761 from 13/01/2016) was prepared.
PCIS includes more than 700 forwarding companies, 14 State regulatory and law enforcement authorities, 130 marine agents and 6 port operators.

**Fisheries policy of Ukraine**

As an integral complex, fisheries in Ukraine play a very important part in Ukrainian economics.

Main directions of fisheries field activities is fish harvesting and processing, reproduction and protection of fish stocks, aquaculture, scientific and research support, field system of education and advanced training, the maritime safety system in the fisheries field, implementation of international fishing policy, regulation of fishing.

Despite political and economic difficulties, Ukraine makes some real steps in development of the national fisheries complex and aligning the standards of functioning of the fisheries field with European level.

At the moment the State Agency of Fisheries of Ukraine carries out an active work according to the Concept of reformation of Ukrainian fisheries concerning the creation of the most favorable legislative conditions for the development of fisheries business and investments into the field, simplification of formal procedures for starting and conducting aquaculture activities, establishment of the state register of fishing water bodies, which have an immense potential for multiplying the aquaculture production in Ukraine, reformation of the fish protection authorities and creation of the fish patrol.

The system of simplification of issuing the permits by way of prolonging their term to five years instead of one is already implemented. The annual quotas on harvesting water bioresources are cancelled, instead of which the individual parts of the general limit for each user for the duration of five years. It gives a space for a steady economic planning of activities of the fishing enterprises in the long term/multiannual perspective.

The State Agency of Fisheries of Ukraine pays a lot of attention to increase the importance of subjects of fisheries field and public in the process of field governance. Not a single legislative act is accepted without a public discussion, which ensures the acquisition of crucial feedback.

The State Agency of Fisheries of Ukraine takes measures on increasing the investment attractiveness of the field and development of aquaculture, particularly there was prepared a project of the Law of Ukraine on the amending the Internal Revenue Code of Ukraine regarding the lowering of rent prices for the aquaculture needs, and the Resolution of the Cabinet of Ministers of Ukraine “On the confirmation of standard terms of use of fishery water bodies, aquatory, inland sea waters, territorial sea, exclusive (marine) economic zone of Ukraine on the rental basis for aquaculture purposes” was adopted.

Besides, the State Agency of Fisheries of Ukraine is making efforts in the direction of international cooperation in view of adoption of the best
practices of the international partners in regard of fishing complex
development and management.

Along with that a full implementation of reforms in the fishing complex
demands an attraction of significant amounts of financial resources, which
is impossible to ensure now at the full extent at the expense of the state
budget of Ukraine.

This is why the State Agency of Fisheries of Ukraine works on the
issue of the creation of a target Fisheries Fund which might be possible to
fill from different sources (from Ukraine and from abroad). The success of
ongoing reforms is going to depend on the necessary funding of the State
Agency of Fisheries of Ukraine for realization of important steps on the way
to this field’s reformation.

Ukraine’s actions on fisheries control and management,
including fight against IUU fisheries

Fishing activities in the Ukrainian part of the Black sea is effectively
regulated by Ukrainian legislation, which establishes norms directed at the
conservation of water bioresources in the Black sea, particularly industrial
sizes of all the water bioresources allowed for extraction, parameters of
allowed fishing gear, time limits of spawning ban on the extraction of
valuable species of water bioresources. Besides, there was established a
national system of natural conservation areas (aquatories) where the usage
of water bioresources is prohibited or limited, and some other norms.

The management of fisheries in the Black sea basin is exercised on
the basis of the following legislative acts:

- The Law of Ukraine “On Fishery, Industrial Fishing and Protection
  of Water Bioresources”;
- The Rules of Commercial Fishing in the Black sea basin;
- Fishing Regime in the Black Sea Basin.

The State Agency of Fisheries of Ukraine conducts the management
of fishing activities in the Black sea basin through its territorial branches
that function as fish protection bodies. These territorial bodies are ensuring
the gathering of statistical data on fisheries which are transmitted to the
State Agency of Fisheries of Ukraine and are used while making executive
decisions. The usage of water bioresources is conducted on the basis of
the scientific grounding of specialized research and development facilities.

In view of creating conditions for the effective regulation of the fishing
industry and prevention of and fight against IUU fishing the Agency has
started the process of radical reformation of the fish protection authorities,
particularly the establishment of “fish patrol” on the model of the national
police. An organizational and personnel approaches to the creation of fish
patrol institutions are crucial.

Reforming the fish protection authorities, the Agency pays
considerable amount of attention to the international cooperation,
particularly to the adoption of experience of leading fishing countries and international fishery organizations in the field of prevention and fighting with IUU fishing. At present the active cooperation is conducted with the Republic of Estonia, Republic of Latvia, Republic of Lithuania, the Kingdom of Norway and international fishing organizations, for example, the General Fisheries Commission for the Mediterranean.

Besides, the establishment (and renovation, where it was established before) of the remote monitoring of the fishing vessels with the usage of satellite and GPS equipment, creation of the controlled conditions for delivery and sale of catches, in particular, the implementation of the document on the legality of catch and the organization of fish rialtos work are important steps of the Agency in the fight against IUU fishing.